

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Colonial Pipeline Company
Baton Rouge Junction Facility
Jackson, East Feliciana Parish, Louisiana
Agency Interest Number 27646
Activity Number PER20080001
Proposed Permit Number 3033-V2**

I APPLICANT

Company

Colonial Pipeline Company
1476 Highway 61 South
Jackson, Louisiana 70748

Facility

Baton Rouge Junction Facility
1476 Highway 61 South, Jackson, East Feliciana Parish, Louisiana 70748
UTM Coordinates 664 78 kilometers East and 3399 37 kilometers North, Zone 15

II FACILITY AND CURRENT PERMIT STATUS

The Baton Rouge Junction Facility currently consists of Tank 132 for gasoline storage and its associated fugitive emissions which operate under Permit 3033-V1, dated January 2, 2008

III PROPOSED PROJECT/PERMIT INFORMATION

Application

A permit application dated May 20, 2008, as well as additional information dated August 12, 2008 were submitted requesting a Part 70 operating permit modification for the facility

Project

Colonial Pipeline Company requests a Part 70 operating permit modification to construct five 240,000 barrel working capacity internal floating roof tanks for gasoline and five 240,000 barrel working capacity fixed roof tanks for distillate storage. The proposed tanks are essential to coordinate refinery product transportation to consumers via the proposed 460 miles of pipeline from the station to the Atlanta area. Tank throughput, numbers of tank cleanings and roof landings will be permitted under caps to provide operational flexibility.

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Proposed Permit

This permit (Permit 3033 V2) is a preconstruction and operating permit for ten proposed tanks and their emissions

Permitted Air Emissions (tons/year)

Pollutant	Before	After	Change
VOC, total	3.94	171.33	+ 167.39

IV REGULATORY ANALYSIS

The applicability of the appropriate standards is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

Applicability and Exemptions of Selected Subject Items

The explanations for the non-applicability and exemptions of selected subject items are listed in Table XI of the proposed permit.

Prevention of Significant Deterioration/Nonattainment Review

Emissions from the operations of the proposed tanks will increase more than the PSD significance levels of 40 tons/year for VOC. A netting analysis is required. There is no creditable VOC emission reduction during the contemporaneous period. Therefore, a PSD analysis was performed for VOC emissions and is documented in the Permit PSD-LA-741.

Five distillate tanks will be equipped with submerged fill pipes and pressure/vacuum vents while five gasoline tanks are designed with submerged fill pipes and internal floating roofs. Roof landing will be limited to 60 times per any twelve consecutive month period and be conducted as specified by 40 CFR 60.112b(a)(1)(i). Tank cleaning shall be limited to twice per any twelve consecutive month period and the time before removing liquid heels and sludge from the tank bottom and shall be minimized. Fugitive emissions will be controlled as required by 40 CFR 63 Subpart R. These control options are considered as Best Available Control Technology (BACT).

Streamlined Equipment Leak Monitoring Program

The permit does not include any Streamlined Equipment Leak Monitoring Program.

MACT Requirements

Toxic Air Pollutants (TAPs) emissions from the facility will be controlled by MACT as follows. Five distillate tanks will be equipped with fixed roof, submerged fill pipes, and pressure/vacuum vents while five gasoline tanks and their roof landings comply with 40 CFR 63 Subpart R. During the tank cleaning, the time before removing liquid heels

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and sludge from the tank bottom and shall be minimized. Fugitive emissions will be controlled as required by 40 CFR 63 Subpart R. These control options are considered as MACT.

Air Quality Analysis

Emissions were reviewed by the Air Quality Assessment Division to ensure compliance with the NAAQS and AAS. Emissions from the project are not expected to cause or contribute to any NAAQS or AAS exceedances.

General Condition XVII Activities

The facility will comply with the applicable General Condition XVII Activities emissions as required by the operating permit rule. However, General Condition XVII Activities are not subject to testing, monitoring, reporting or recordkeeping requirements. For a list of approved General Condition XVII Activities, refer to the Section VIII – General Condition XVII Activities of the proposed permit.

Insignificant Activities

All Insignificant Activities are authorized under LAC 33 III 501 B 5. For a list of approved Insignificant Activities, refer to the Section IX – Insignificant Activities of the proposed permit.

V PERMIT SHIELD

This permit does not contain any permit shield.

VI PERIODIC MONITORING

The proposed tanks and their emissions will be periodically inspected and/or monitored as required by 40 CFR 63 subpart R.

VII GLOSSARY

Best Available Control Technologies (BACT) - An emissions limitation (including a visible emission standard) based on the maximum degree of reduction for each pollutant subject to regulation under this part which would be emitted from any proposed major stationary source or major modification which the administrative authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant.

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CAM - Compliance Assurance Monitoring rule – A federal air regulation under 40 CFR Part 64

Carbon Black - A black colloidal substance consisting wholly or principally of amorphous carbon and used to make pigments and ink

Carbon Monoxide (CO) – (Carbon monoxide) a colorless, odorless gas produced by incomplete combustion of any carbonaceous (gasoline, natural gas, coal, oil, etc) material

Cooling Tower – A cooling system used in industry to cool hot water (by partial evaporation) before reusing it as a coolant

Continuous Emission Monitoring System (CEMS) – The total combined equipment and systems required to continuously determine air contaminants and diluent gas concentrations and/or mass emission rate of a source effluent

Cyclone – A control device that uses centrifugal force to separate particulate matter from the carrier gas stream

Duct Burner – A device that combusts fuel and that is placed in the exhaust duct from another source (such as a stationary gas turbine, internal combustion engine, kiln, etc) to allow the firing of additional fuel to heat the exhaust gases before the exhaust gases enter a steam generating unit

Federally Enforceable Specific Condition - A federally enforceable specific condition written to limit the potential to Emit (PTE) of a source that is permanent, quantifiable, and practically enforceable. In order to meet these requirements, the draft permit containing the federally enforceable specific condition must be placed on public notice and include the following conditions

- A clear statement of the operational limitation or condition which limits the source's potential to emit,
- Recordkeeping requirements related to the operational limitation or condition,
- A requirement that these records be made available for inspection by LDEQ personnel,
- A requirement to report for the previous calendar year

Grandfathered Status- Those facilities that were under actual construction or operation as of June 19, 1969, the signature date of the original Clean Air Act. These facilities are not required to obtain a permit. Facilities that are subject to Part 70 (Title V) requirements lose grandfathered status and must apply for a permit

Heat Recovery Steam Generator (HRSG) – A steam generator that recovers exhaust heat from a gas turbine, and provides economizing and steam generation surfaces

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Hydrogen Sulfide (H₂S) - A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the action of acids on metallic sulfides, and is an important chemical reagent.

Maximum Achievable Control Technology (MACT) - The maximum degree of reduction in emissions of each air pollutant subject to LAC 33 III Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

NESHAP - National Emission Standards for Hazardous Air Pollutants - Air emission standards for specific types of facilities, as outlined in 40 CFR Parts 61 through 63.

Nitrogen Oxides (NO_x) - Compounds whose molecules consist of nitrogen and oxygen.

Nonattainment New Source Review (NNSR) - A New Source Review permitting program for major sources in geographic areas that do not meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. Nonattainment NSR is designed to ensure that emissions associated with new or modified sources will be regulated with the goal of improving ambient air quality.

NSPS - New Source Performance Standards - Air emission standards for specific types of facilities, as outlined in 40 CFR Part 60.

Organic Compound - Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂).

Part 70 Operating Permit- Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33 III 507. Major sources include, but are not limited to, sources which have the potential to emit ≥ 10 tons per year of any toxic air pollutant, ≥ 25 tons of total toxic air pollutants, and ≥ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀- Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) - The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) - A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.